



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

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Testimony of the Connecticut Insurance Department

Before
The Insurance and Real Estate Committee

February 10, 2011

SB 309--An Act Establishing a Division of Insurance Fraud in the Insurance Department

The Connecticut Insurance Department would like to offer the following information regarding SB 309—An Act Establishing a Division of Insurance Fraud in the Insurance Department.

While not specifically established in statute, the Insurance Department currently has a Fraud and Investigations Unit within its Division of Consumer Services and Business Regulation. This Unit is charged with regulating and investigating (1) individual licensees (such as producers, casualty adjusters, and bail bondsmen); (2) regulating the licensure of preferred provider networks, medical discount plans, pharmacy benefit managers, life settlement providers and extended warranty companies; and (3) receiving fraud referrals from the industry which are shared with law enforcement agencies for prosecution.

Since 2008, the Unit has revoked 47 licenses, suspended 3 licenses and fined 50 individuals or companies. This Unit has also secured approximately \$250,000 in restitution to individuals harmed by licensees since 2008.

Thank you for the opportunity to provide this information to the Committee.